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April 19, 2001

EX PARTE OR LATE FILED

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room TW-A325  
Washington, DC 20554

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APR 19 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

RE: Ex Parte Statement  
CC Docket No. 99-200  
(Number Resource Optimization)

Dear Ms. Salas:

On Thursday, April 19, 2001 Gilbert Orozco, Bill Adair, Jeffrey Mondon, Deborah Bell, Fred Goodwin, and I on behalf of SBC Communications Inc. met with Yog Varma, Deputy Chief, Common Carrier Bureau and members of his staff (Jennifer Gorny and Cheryl Callahan) to discuss issues and recommendations in this proceeding. The attached presentation served as the basis for the discussion.

You may contact me if you have any questions.

Sincerely,

Attachment

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# **NUMBER RESOURCE OPTIMIZATION**

**SBC's Reconsideration Issues**

**April 19, 2001**



## SBC's RECONSIDERATION ISSUES

- **Months-to-Exhaust Requirement and Utilization Threshold:**

Commission's decision to require service providers to pass a two-prong test , a months-to-exhaust (MTE) requirement and a utilization threshold, before they can qualify for additional numbering resources is costly and unreasonable.

- **Calculation of Utilization Threshold:**

Treatment of "intermediate numbers" in utilization calculation should be reconsidered by the Commission.

- **California Utilization Threshold:**

The Commission's decision to allow California to continue using a 75% utilization threshold without allowing for a transition period is unsupported by the record.



# MONTHS-TO-EXHAUST REQUIREMENT AND UTILIZATION THRESHOLD

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## **ISSUE:**

- Industry to pass a utilization threshold and a six months months-to-exhaust (MTE) calculation before requesting additional numbering resources.
- Commission admits that the MTE forecast is highly subjective and needs to be “validated” by utilization thresholds.
- Requiring both MTE and utilization serves no meaningful benefit and adds unnecessary expense to service providers, NANPA and pooling administrators.

## **RECOMMENDATION:**

- Commission should maintain the utilization threshold but not require the MTE requirement.



# **CALCULATION OF UTILIZATION THRESHOLD**

## **INTERMEDIATE NUMBERS**

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### **ISSUE:**

- By excluding “intermediate numbers” the calculation is less meaningful and a detriment to service providers.
- FCC acknowledged that primary carriers are not in control of intermediate numbers.
- Excluding these numbers from the numerator of the utilization calculation penalizes the primary service provider’s utilization calculation for the affected rate center.
- For SBC, intermediate numbers have the largest impact on its ability to meet the utilization threshold. On average, 8-10% of the total numbers held in SBC’s inventory are intermediate.

# CALCULATION OF UTILIZATION THRESHOLD INTERMEDIATE NUMBERS

- If nothing changes in the methodology of calculating utilization, SBC cannot meet the utilization threshold.

## Examples in the 310 NPA:

Rate Center Name	Assigned	Intermed	Reserved	Aging	Admin	Available	Total	Utilization	Notes
BEVERLYHLS % OF TOTAL	332284 60.64%	83406 15.22%	20468 3.74%	28645 5.23%	2174 0.40%	81023 14.79%	<b>548000</b> 100.00%	60.64%	FCC Calculation
CMTN CMTN % OF TOTAL	132334 51.09%	78602 30.35%	14849 5.73%	11041 4.26%	1167 0.45%	21007 8.11%	<b>259000</b> 100.00%	51.09%	FCC Calculation
CMTN GRDN % OF TOTAL	157131 51.35%	91401 29.87%	17164 5.61%	9283 3.03%	11961 3.91%	19060 6.23%	<b>306000</b> 100.00%	51.35%	FCC Calculation
CULVERCITY % OF TOTAL	101894 61.01%	36701 21.98%	3459 2.07%	6817 4.08%	614 0.37%	17515 10.49%	<b>167000</b> 100.00%	61.01%	FCC Calculation



# **CALCULATION OF UTILIZATION THRESHOLD**

## **INTERMEDIATE NUMBERS**

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Because intermediate numbers are assigned to our customers and we have no control of these numbers, intermediate numbers should be reflected in both the numerator and denominator for the utilization calculation.

### **RECOMMENDATION:**

- Primary carriers should be permitted to account for these numbers as assigned for purposes of the utilization calculation.
- SBC supports the NANC's recommendation on placing the reporting responsibility of these numbers on the intermediate carriers.



# CALIFORNIA

## UTILIZATION THRESHOLD

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### **ISSUE: - Apples to Oranges Comparison for Calculating Utilization:**

Although the Commission acknowledges a need for a transition period to adjust to the maximum 75% utilization threshold, it allows California and other states to continue using state's utilization threshold without allowing for the three year transition period.

- $FCC = \text{Assigned} / \text{Total} * 100$
- $CPUC = \text{Assigned} + \text{Intermediate} + \text{Reserved} + \text{Aging} + \text{Admin} / \text{Total} * 100$
- No studies have occurred that analyze the impact on service providers requiring the 75% utilization threshold coupled with the Commission's utilization methodology.

### **UTILIZATION STUDY:**

- SBC recently conducted a study in California in two NPAs. The study demonstrates the adverse impacts the Commission's standard has on SBC's ability to obtain additional numbering resources.
- This study compared the FCC standard against the methodology currently used by the California commission.



# CALCULATION COMPARISON

## 310 NPA

- Using the FCC standard, SBC failed to meet the 75% threshold in 10 of 11 rate centers.
- Using the CPUC method, SBC met the 75% requirement in 10 of 11 rate centers.

**Examples: in the 310 NPA:**

Rate Center Name	Assigned	Intermed	Reserved	Aging	Admin	Available	Total	Utilization	Notes
BEVERLYHLS	332284	83406	20468	28645	2174	81023	<b>548000</b>	60.64%	FCC Calculation
% OF TOTAL	60.64%	15.22%	3.74%	5.23%	0.40%	14.79%	100.00%	85.21%	CPUC Calculation Blocks donated: 2
CMTN CMTN	132334	78602	14849	11041	1167	21007	<b>259000</b>	51.09%	FCC Calculation
% OF TOTAL	51.09%	30.35%	5.73%	4.26%	0.45%	8.11%	100.00%	91.89%	CPUC Calculation Blocks donated: 1
CMTN GRDN	157131	91401	17164	9283	11961	19060	<b>306000</b>	51.35%	FCC Calculation
% OF TOTAL	51.35%	29.87%	5.61%	3.03%	3.91%	6.23%	100.00%	93.77%	CPUC Calculation Blocks donated: 14



# **CALCULATION COMPARISON**

## **310 NPA**

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### **PRIOR TO MAY 8, 2001:**

- Using the California commission's methodology SBC meets the 75% utilization threshold in 10 of 11 rate centers.

### **AFTER MAY 8, 2001\*:**

- Using the FCC standard, SBC will fail meeting the 75% utilization threshold in 10 of 11 rate centers.

\* NRO II Utilization Calculation Takes Effect



# **CALCULATION COMPARISON**

## **310 NPA**

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### **POOLING ENVIRONMENT:**

- In theory, carriers should be able to improve utilization by donating blocks.
- In reality, Pacific Bell in the 310 NPA does not have pristine blocks or blocks with 10% or less contamination to donate in many of its rate centers.
  - Only 31 blocks are either pristine or 10% contaminated.
  - Five of the eleven rate centers do not have any blocks that are 10% or less contaminated.
  - Seven of the eleven rate centers do not have any pristine blocks.

# CALCULATION COMPARISON

## 408 NPA

### Examples in the 408 NPA:

Rate Center Name	Assigned	Inland	Reserved	Agree	Admin	Available	Total	Utilization	Notes
SAN JOSE SOUTH % OF TOTAL	268868 67.22%	11901 2.98%	15048 3.76%	16762 4.19%	1347 0.34%	86074 21.52%	400000 100.00%	67.22% 78.48%	FCC Calculation CPUC Calculation
CAMPBELL % OF TOTAL	108893 64.05%	2500 1.47%	8369 4.92%	8176 4.81%	541 0.32%	41521 24.42%	170000 100.00%	64.05% 75.58%	FCC Calculation CPUC Calculation
SAN MARTIN % OF TOTAL	4606 9.21%	34300 68.60%	407 0.81%	249 0.50%	67 0.13%	10371 20.74%	50000 100.00%	9.21% 79.26%	FCC Calculation CPUC Calculation
SARATOGA % OF TOTAL	16128 40.32%	0 0.00%	1042 2.61%	911 2.28%	100 0.25%	21819 54.55%	40000 100.00%	40.32% 45.45%	FCC Calculation CPUC Calculation
SAN JOSE NORTH % OF TOTAL	456565 71.34%	24500 3.83%	23035 3.60%	19228 3.00%	1555 0.24%	115117 17.99%	640000 100.00%	71.34% 82.01%	FCC Calculation CPUC Calculation
SAN JOSE WEST % OF TOTAL	897755 63.22%	140300 9.88%	85224 6.00%	49421 3.48%	3991 0.28%	243309 17.13%	1420000 100.00%	63.22% 82.87%	FCC Calculation CPUC Calculation
SUNNYVALE % OF TOTAL	274840 68.71%	8400 2.10%	33337 8.33%	16020 4.01%	1098 0.27%	66305 16.58%	400000 100.00%	68.71% 83.42%	FCC Calculation CPUC Calculation

# SUMMARY

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## **THEREFORE, THE FCC SHOULD:**

- **Months-to-Exhaust and Utilization Threshold:**

- Maintain the utilization threshold but not require the MTE requirement.

- **Calculation of Utilization Threshold:**

- Base utilization calculation on allowing “intermediate numbers” in the numerator as it more accurately represents the percentage of numbers being utilized by the primary service provider.

- **California Utilization Threshold:**

- Allow California to continue to use its adopted standards for calculating utilization or
- Require California to comply with the FCC’s initial 60% target and utilization calculation.